



**Health Services**  
LOS ANGELES COUNTY

September 16, 2008

**Los Angeles County  
Board of Supervisors**

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**John F. Schunhoff, Ph.D.**  
Interim Director

**Robert G. Splawn, M.D.**  
Interim Chief Medical Officer

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO SIX MEDICAL AND RADIOLOGY  
REPORTS TRANSCRIPTION SERVICES AGREEMENTS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

To request approval to amend the six current medical, radiology reports, and overflow medical transcription services agreements to extend the term for an additional 12 months through September 30, 2009.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chair to sign Proposition A (Prop A) Radiology Reports Transcription Services Amendment No. 7 to Agreement No. 72049 (Exhibit I) with MedQuist Transcriptions, Ltd. (MedQuist) for services provided at Los Angeles County+USC Healthcare Network (LAC+USC) and Martin Luther King Jr. Multi-Service Ambulatory Care Center (MLK MACC), to extend the Agreement term for an additional 12 months effective October 1, 2008 through September 30, 2009, under the same rates and terms, for an estimated total amount of \$1,227,159 for the 12 months.
2. Approve and instruct the Chair to sign Prop A Medical Transcription Services Amendment No. 13 to Agreement No. 70282 (Exhibit II) with MedQuist for services provided at Olive View/UCLA Medical Center (OVMC) and High Desert Health System (HDHS), to extend the Agreement term for an additional 12 months effective October 1, 2008 through September 30, 2009, under the same rates and terms, for an estimated total amount of \$723,000 for the 12 months.
3. Approve and instruct the Chair to sign Prop A Medical Transcription Services Amendment No. 8 to Agreement No. 71386 (Exhibit III),

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with MedQuist for services provided at MLK MACC, to extend the Agreement term for an additional 12 months effective October 1, 2008 through September 30, 2009, under the same rates and terms, for an estimated amount of \$29,867 for the 12 months.

4. Approve and instruct the Chair to sign Prop A Medical Transcription Services Amendment No. 7 to Agreement No. 74108 (Exhibit IV), with MedQuist for services provided at Harbor-UCLA Medical Center (Harbor), to extend the Agreement term for an additional 12 months effective October 1, 2008 through September 30, 2009, under the same rates and terms, for an estimated amount of \$972,011 for the 12 months.
5. Approve and instruct the Chair to sign Prop A Medical Transcription Services Amendment No. 6 to Agreement No. 72144 (Exhibit V) with PeopleSupport RapidText, Inc. (PSRT), for services provided at Rancho Los Amigos National Rehabilitation Center (Rancho), to extend the Agreement term for an additional 12 months effective October 1, 2008 through September 30, 2009, under the same rates and terms, for an estimated amount of \$193,753 for the 12 months.
6. Delegate authority to the Interim Director of the Department of Health Services, or his designee, to execute Amendment No. 8 to Overflow Medical Transcription Service Agreement No. H-209835 (Exhibit VI) for services at LAC+USC with PSRT, to extend the Agreement term for an additional 12 months effective October 1, 2008 through September 30, 2009, under the same rates and terms, for an estimated amount of \$1,992,000 for the 12 months.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Board approval to extend the term of the existing Agreements is necessary to ensure that delivery of vital medical, radiology reports, and overflow transcription services continues uninterrupted at various Department of Health Services (DHS or Department) medical facilities during the completion of the solicitation process for replacement agreements. The current Agreements expire on September 30, 2008. The department planned to submit this Board letter for the September 2, 2008 agenda in order to meet the timely submission requirements but the internal Board letter and contract review process took longer than anticipated and therefore the filing was delayed.

The Department previously advised your Board that the solicitation for medical transcription services would be released by the end of 2007, with an expectation that successor agreements would be approved prior to the expiration of the current Agreements. It was

expected that a single Request for Proposals (RFP) document would be issued, although the scope of work varies by facility, which would provide for continued digital medical transcription services as a Prop A contract, as well as allow for future phased implementation of Speech Recognition technology for various departments at each medical facility which would not be a Prop A contract.

During RFP development, concerns were raised within the Department about the costs associated with replacing the current contractors if the RFP resulted in new contractors for the continuing digital medical transcription services. The RFP was delayed while the Department analyzed the option of renegotiating the current contracts for digital medical transcription current services and then doing an RFP for voice recognition versus a solicitation for both. After consultation with County Counsel, the Department determined the most prudent course of action is to issue the RFP for current and future needs. DHS will release the RFP no later than December 2008. This one-year extension is necessary to allow for the release of the required new solicitation documents and the completion of the new contracting process. County Counsel advises that the new contracts must be in place upon the termination of the requested extension period.

### **Implementation of Strategic Plan Goals**

These actions support Goal 7, Health and Mental Health of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The rates will remain the same during the extension period. The total estimated expenditures for the period of October 1, 2008 through September 30, 2009 are as follows:

<u>Agreement No.</u>	<u>Contractor</u>	<u>Service Site</u>	<u>Net County Cost</u>
72049-7	MedQuist	LAC+USC (\$1,080,000) and MLK MACC (\$147,159)	\$1,227,159
70282-13	MedQuist	OVMC (\$633,000) and HDHS (\$90,000)	\$ 723,000
71386-8	MedQuist	MLK MACC	\$ 29,867
74108-7	MedQuist	Harbor	\$ 972,011
72144-6	PSRT	Rancho	\$ 193,753
H-209835-8	PSRT	LAC+USC	\$1,992,000

Funding is included in the DHS Fiscal Year (FY) 2008-09 Adopted Budget and will be requested in FY 2009-2010, as necessary.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

### **Agreement No. 72049 - LAC+USC and MLK MACC (Radiology Reports)**

On March 2, 1999, the Board approved an Agreement with Lanier Professional Services, Inc. for the provision of radiology reports transcription services for LAC+USC and Martin Luther King, Jr. Drew Medical Center (now known as MLK MACC), effective February 1, 1999 through December 31, 2003. On September 21, 1999, the County approved a delegation and assignment of rights from Lanier Professional Services, Inc. to MedQuist Transcription, Ltd. Subsequently, the Board approved Amendment Nos. 1 through 6, which increased the allocation, updated contract language, added the Health Insurance Portability and Accountability Act of 1996 (HIPAA) provision, and extended the term through September 30, 2008.

### **Agreement No. 70282 - OVMC and HDHS (Medical Transcription)**

On August 20, 1996, the Board approved an Agreement with MedQuist for the provision of medical transcription services for OVMC and HDHS, effective September 1, 1996 through August 31, 2000. Under delegated authority, the term was extended for an additional six months through February 28, 2001. Subsequently, the Board approved Amendment Nos. 1 through 12, which increased the allocation, updated contract language, added HIPAA, and extended the term through September 30, 2008.

### **Agreement No. 71386 – MLK MACC (Medical Transcription)**

On May 5, 1998, the Board approved an Agreement with MedQuist, for the provision of medical transcription services for MLK MACC effective June 1, 1998 through May 31, 2002. Subsequently, the Board approved Amendment Nos. 1 through 7, which increased the allocation, updated contract language, added HIPAA, and extended the term through September 30, 2008.

### **Agreement No. 74108 - Harbor (Medical Transcription)**

On July 30, 2002, the Board approved an Agreement with MedQuist, for the provision of medical transcription services for Harbor effective August 1, 2002 through July 31, 2007 and delegated authority to the Director of Health Services to execute a month-to-month extension for an additional six months through January 31, 2008. Subsequently, the Board approved an amendment to extend the term through September 30, 2008.

**Agreement No. 72144 - Rancho (Medical Transcription)**

On June 8, 1999, the Board approved Agreement No. 72144 with Medtext, Inc. for the provision of medical transcription services for Rancho, effective July 1, 1999 through June 30, 2003. On June 25, 2003, the Director of DHS extended the Agreement term by written consent of both parties for six additional months effective through December 31, 2003. Subsequently, the Board approved Amendment Nos. 1 through 5 that increased the maximum obligation and extended the term through September 30, 2008. Under Amendment No. 4, the Board approved a Consent of Ownership and Stock Purchase Transaction on April 18, 2006. As a result of the stock purchase, RapidText changed its name to PeopleSupport RapidText, Inc.

**Agreement No. H-209835 - LAC+USC (Overflow Medical Transcription)**

On August 4, 1998, the Board approved an Agreement with MedText, Inc. for the provision of overflow medical transcription services at LAC+USC, effective August 1, 1998 through July 31, 2002. The Agreement also authorized the Director to enter into a six-month term extension and this option was utilized to extend the Agreement through January 31, 2003. Subsequently, the Board approved Amendment Nos. 1 through 7 that increased the maximum obligation, allowed for an increase of \$0.01 in the rate per transcribed line, updated contract provision language, added HIPAA, and extended the term through September 30, 2008. On April 18, 2006, under Amendment No. 6, the Board approved a Consent of Ownership and Stock Purchase Transaction that changed the corporate name to PeopleSupport RapidText, Inc.

The Amendments include language to update the: 1) Alteration of Terms provision to allow for change orders; and 2) latest Board-mandated contract language that pertains to Prop A Agreements for the County's Living Wage Program (County Code Chapter 2.201). All of these Prop A contractors are currently in compliance with provision of the Living Wage Program.

These Agreements may be terminated by the County with 30 to 60 days written notice to Contractor depending on the Agreement.

County Counsel has approved the attached Amendments, Exhibits I through VI, as to form.

**CONTRACTING PROCESS**

The proposed amendments were not listed on the County's Web Site as such postings are not necessary for contract amendments.

The RFP timetable for award of successor contracts is as follows:

<u>Action:</u>	<u>Date:</u>
Complete draft RFP	October 2008
RFP review process	November 2008
Release RFP	December 2008
Receive Proposals	February 2009
Proposal Evaluation Process	March/April 2009
Contract Negotiation	May 2009
Contract Preparation	June 2009
Board Letter with Contract Reviews	July 2009
File Board Letter	August 2009
Board Approval	August 2009

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Board approval of the recommended Amendments will ensure that vital transcription services remain in place and continue uninterrupted at DHS medical facilities.

**CONCLUSION**

When approved, the Department requires three signed copies of the Board's action.

Respectfully submitted,



John F. Schunhoff, Ph.D.  
Interim Director

JFS:lvb  
2008\_Med\_Transcription\_Svcs\_BL2kh

Attachments (6)

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors